

THE ENTERPRISE DEVELOPMENT ZONE PROGRAM

The Enterprise Development Zone Program provides tax incentives to new or expanding businesses whose projects will affect distressed areas.

Based on the economic impact of a proposed business project, the Department of Commerce will be able to designate an enterprise development zone. A zone is "site specific" and applies to only one business. The maximum amount of credits per zone is \$3.0 million. Zones can exist for up to seven years. The Department can vary zone benefits to encourage projects in areas of high distress.

Program Applications

In order to participate in the program, a business should work with one of Commerce's Area Development Managers and complete a prospect data sheet to submit to the Department. (See ADM listing on page 2.)

Projects must affect distressed areas suffering from high unemployment, low incomes, declining population, declining property values, and plant closings and that have high numbers of people on public assistance.

The Department will determine if a project is eligible for an enterprise development zone based on information about the economic impact of the project, the prospective site, and the distress of the area.

Businesses earn credits only by creating new full time jobs or by conducting environmental remediation on a "Brownfield" site. The program pays on performance:

Program Benefits

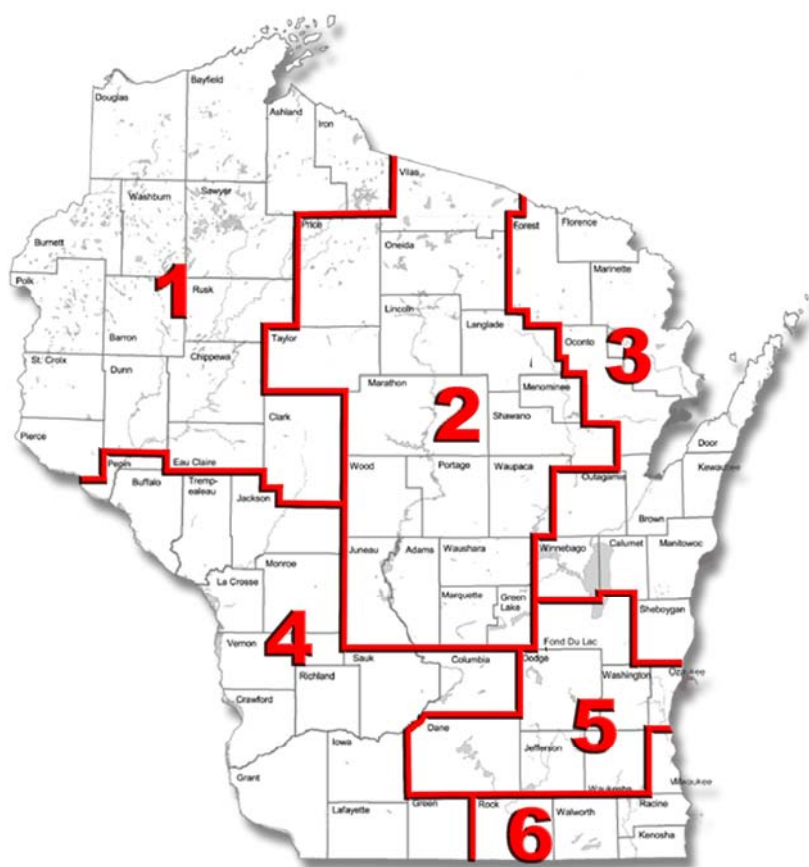
The development zone tax credits include: (All tax credits have a carry forward provision for up to 15 years)

- ◆ **A non-refundable jobs credit of up to \$6,500** for new full-time jobs being created and filled by members of target group. Eligible target groups include W2 participants, dislocated workers, federal Enterprise Community residents, vocational rehabilitation program referrals and Vietnam-era veterans, ex-felons and youth from low-income families.
- ◆ **A non-refundable jobs credit of up to \$4,000** for new full-time jobs being created and filled by Wisconsin residents who are not members of target groups.
 - The actual amount of job credits is dependent upon wages and benefits.
 - Wages must be at least 150% of federal minimum wage
 - Full-time job means regular, non-seasonal, and required to work 2,080 hours per year.
 - One-third of the allocated job credits must be claimed for jobs that are filled by target group members.
- ◆ **A non-refundable environmental remediation credit of 50% of all remediation costs** affected by environmental pollution in a brownfield and investigation. "Brownfield" means an industrial or commercial facility the expansion or redevelopment of which is complicated by environmental contamination.
- ◆ **Twenty-five percent (25%) of all credits** allocated to a business must be for creating full-time jobs.

Area Development Managers

Area Development Managers assist business expansions, promote business retention, and help local development organizations in their respective territories. Area development managers use their knowledge of federal, state, and regional resources to provide a variety of information to expanding or relocating firms. They also mobilize resources to help struggling businesses. Local economic development practitioners can turn to area development managers for assistance with long-term marketing and planning strategies.

CONTACT AREA DEVELOPMENT MANAGERS BY REGION



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OTHER FINANCE PROGRAM QUESTIONS - 1-800-HELP BUSINESS

-Visit our web page at <http://www.commerce.wi.gov> -